

# What Is Long-Term Care?

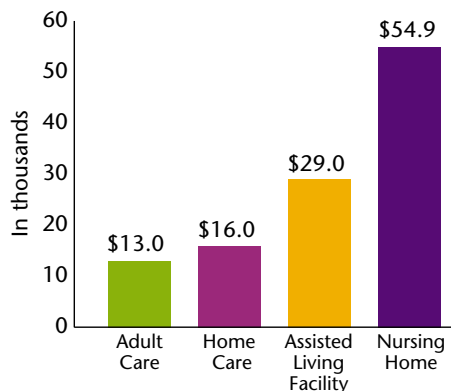
Long-Term Care (LTC) is what an individual needs when he or she requires regular assistance with day-to-day functions like bathing, eating and/or dressing or supervision due to cognitive impairment. LTC insurance helps pay for care at home, in an adult day care center, assisted living facility, nursing home or hospice — it's your choice.

## Why Long-Term Care Insurance?

With today's enhanced longevity, a growing number of Americans "live, get sick, progressively lose function, and then die."\* When this happens, we not only lose the freedom to care for ourselves, we may be forced to completely deplete a lifetime of savings unless specific LTC insurance is part of our personal financial plan for protection of assets when we grow older.

\*Aetna Chairman & CEO and gerontologist Dr. John W. Rowe, author of *Successful Aging*.

**LTC Costs Can Be Devastating**  
National Average Costs (annual)



Source: GE LTC Survey, 3/02; American Council of Life Insurers, 4/00

## Top Ten Conditions Requiring Long-Term Care

Source: Aetna, LTC Claim History 1/02

1. Alzheimer's disease, related dementia
2. Cancer
3. Stroke
4. Parkinson's disease, other neurological conditions
5. Arthritis
6. Heart attack
7. Other injuries (fractures)
8. Emphysema, other respiratory diseases
9. Diabetes
10. Mental, nervous, other Alzheimer's related conditions



### Where Will the Money Come From?

Long-Term Care is:

- NOT covered by your medical program.
- NOT covered by disability insurance.
- NOT covered by Medicare to any substantial degree.
- NOT covered by Medicaid unless one's assets have been reduced to the poverty level.

Did you know that an accident or illness can cause you or a family member to need long-term care at any age?

## City of Lincoln and Lancaster County

### Aetna Group Long Term Care Insurance Benefits Summary – Service Reimbursement Plan

The City of Lincoln and Lancaster County are sponsoring a long-term care insurance plan underwritten by one of the industry's top carriers - Aetna Life Insurance Company. The chart below outlines some of this Service Reimbursement plan's benefits and features. For term definitions and more information, please visit [www.aetna.com/group/lincolnlancaster](http://www.aetna.com/group/lincolnlancaster) or call 1-800-537-8521 to speak to a Long Term Care Specialist.

<b>Who's Eligible</b>	Regular employees of the City of Lincoln working a minimum of 30 hours per week/regular employees of Lancaster County working a minimum of 20 hours per week, and their spouses, adult children (minimum age 20), parents, parents-in-law, grandparents, and grandparents-in-law. All eligible employees must be actively at work on the effective date to be covered under this plan. Retirees, their spouses, adult children (minimum age 20), and surviving spouses are also eligible.
<b>Enrollment Period Guidelines</b>	<ul style="list-style-type: none"> <li>➤ Active employees (not already eligible for claim) who enroll during the special enrollment may do so <b>without providing proof of good health</b>.</li> <li>➤ Newly eligible (new hires) employees may enroll within 31 days of eligibility – <b>without proof of good health</b>.</li> <li>➤ Employees who are late applicants (who are no longer new hires or who are not enrolling during a specially designated, non-underwritten enrollment period) may enroll <u>anytime</u> and will be required to complete a medical questionnaire and must be approved by Aetna.</li> <li>➤ Spouses, parents, parents-in-law, grandparents and grandparents-in-law of employees may enroll <u>anytime</u> and will be required to complete a medical questionnaire and must be approved by Aetna.</li> <li>➤ Retirees, spouses, and surviving spouses may enroll <u>anytime</u> and will be required to complete a medical questionnaire and must be approved by Aetna.</li> <li>➤ Adult children of employees/retirees and spouses may enroll <u>anytime</u> and will be required to complete a medical questionnaire and must be approved by Aetna.</li> </ul>
<b>Spousal Discount</b>	<b><i>There is a 10% discount in premiums if both the employee/retiree and spouse enroll.</i></b>
<b>Rates and Method of Payment</b>	Employees will make after-tax payroll deductions for themselves and their spouses. All others are billed directly by Aetna.
<b>Daily Benefit Amount (DBA)</b>	You choose a Daily Benefit Amount (DBA) of <b>\$100, \$150, and \$200, or select</b> anywhere from \$100 to \$350 in \$1 increments. The plan will reimburse you for expenses incurred up to a certain percentage of your DBA (see Expenses Covered). The DBA is the maximum amount of coverage your plan can provide you each day.
<b>How You Qualify for Benefits</b>	You qualify for claim if a licensed health care practitioner certifies that you are unable to perform at least two of six activities of daily living: bathing, dressing, eating, transferring, toileting, continence (for at least 90 days) or have a severe cognitive impairment (like Alzheimer's). You must also submit a claim form. Aetna decides when a qualifying loss of functional capacity occurs and may consider information from the covered person, his or her attending physician and other health care providers. Aetna reserves the right to continue to evaluate claims following initial approval.
<b>Single Waiting (Deductible) Period of 90 Days</b>	In order to receive benefits, only one consecutive 90-day waiting (deductible) period needs to be met, regardless of how often and for what reason you qualify for claim. The waiting period helps keep plan rates affordable.
<b>Premiums Waived When in Claim</b>	After the 90-day waiting period, premiums are waived. You pay no premiums while you receive benefits.
<b>Restoration of Benefits</b>	Your total Lifetime Maximum Benefit is restored to its original value when you recover and resume premium payments.
<b>Voluntary Inflation Protection Increase</b>	<b>(Voluntary Increase)</b> If you choose to include this feature in your LTC plan, you may increase your coverage every three years without proof of good health to help keep pace with the rising cost of long-term care. You may increase your coverage through this feature even if you are in claim as long as you have not turned down a previous offer.
<b>(Optional) Return of Contributions (ROC) Feature</b>	<p>If you die while paying premiums, a named beneficiary will receive 100% of premiums you have paid for LTC. However, the following rules apply:</p> <ul style="list-style-type: none"> <li>▪ For employees, the amount of the refund is reduced by 10% starting at the later of age 65 or retirement.</li> <li>▪ For all other enrollees, the amount of the refund is reduced by 10% starting at age 65.</li> </ul> <p>The reduction will result in no benefit being payable nine years after reduction begins. If you are receiving benefits at the time of your death, no ROC is payable.</p>
<b>30-Day Free Look</b>	Your premiums will be refunded if you cancel your plan within 30 days of receiving your Certificate of Coverage booklet.

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<b>Expenses Covered</b>	<p><b>The plan will reimburse you for bills submitted for covered expenses up to a percentage of your Daily Benefit Amount (DBA).</b></p> <table> <tr> <td>Nursing Home or Hospice Facility Care:</td><td>Actual Expenses up to 100% of DBA.</td></tr> <tr> <td>Assisted Living Facility Care:</td><td>Actual Expenses up to 100% of DBA.</td></tr> <tr> <td>Adult Day Care:</td><td>Actual Expenses up to 50% of DBA.</td></tr> <tr> <td>Hospice Care:</td><td>Actual Expenses up to 50% of DBA.</td></tr> <tr> <td>Home Health Care:</td><td>Actual Expenses up to 50% of DBA.</td></tr> <tr> <td>Community Based Care:</td><td>Actual Expenses up to 50% of DBA.</td></tr> <tr> <td>Alternate Care:</td><td>Actual Expenses up to 50% of DBA.</td></tr> <tr> <td>Bed Reservation:</td><td>100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility.</td></tr> </table>	Nursing Home or Hospice Facility Care:	Actual Expenses up to 100% of DBA.	Assisted Living Facility Care:	Actual Expenses up to 100% of DBA.	Adult Day Care:	Actual Expenses up to 50% of DBA.	Hospice Care:	Actual Expenses up to 50% of DBA.	Home Health Care:	Actual Expenses up to 50% of DBA.	Community Based Care:	Actual Expenses up to 50% of DBA.	Alternate Care:	Actual Expenses up to 50% of DBA.	Bed Reservation:	100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility.
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<b>Additional Covered Expenses</b>	<p><b>Additional benefits that <u>do not</u> deduct from the Lifetime Maximum:</b></p> <table> <tr> <td>Transitional Care:</td><td>One time payment equal to up to 3 times your DBA.</td></tr> <tr> <td>Informal Care:</td><td>25% of your DBA for up to 50 days per calendar year.</td></tr> <tr> <td>Informal Care Giver Training:</td><td>One payment per claim equal to cost of training; up to 3 times your DBA.</td></tr> <tr> <td>Respite Care:</td><td>50% of your DBA for up to 21 days per calendar year.</td></tr> </table>	Transitional Care:	One time payment equal to up to 3 times your DBA.	Informal Care:	25% of your DBA for up to 50 days per calendar year.	Informal Care Giver Training:	One payment per claim equal to cost of training; up to 3 times your DBA.	Respite Care:	50% of your DBA for up to 21 days per calendar year.								
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<b><u>Choice of Lifetime Maximum Benefit Amount</u></b>	<p><b>You may select a 3, 5 or 7 year Lifetime Maximum Benefit.</b> Your Lifetime Maximum Benefit is determined by multiplying the number of days in 3, 5 or 7 years by your Daily Benefit Amount (DBA).</p> <p>To determine the <i>total amount</i> of money that your coverage provides; i.e. "Lifetime Maximum Benefit":</p> <ol style="list-style-type: none"> <li>1. Multiply the DBA you select by 365 (days in a year)</li> <li>2. Multiply that result by the number of years your plan is based on (3, 5 or 7 years).</li> </ol> <p>Based on when and where you receive care, your Lifetime Maximum Benefit could be paid out in a minimum of 3, 5 or 7 years or in a <u><i>much longer</i></u> period of time.</p> <p><i>Example on Calculating the Lifetime Maximum Benefit:</i>  DBA = \$200  Lifetime Maximum Benefit is based on 5 years.  Therefore, your total lifetime Maximum Benefit is: <math>\\$200 \times 365 = \\$73,000 \times 5 \text{ years} = \underline{\\$365,000}</math>.</p>																
<b>Leave Your Job and Continue Coverage</b>	<p>If you leave your current employer you can continue your coverage <b>at the same group rate</b> by paying premiums directly to Aetna.</p>																
<b>Choices to Make</b>	<ol style="list-style-type: none"> <li>1. <b>Tailor your LTC Plan. Choices to make:</b> <ul style="list-style-type: none"> <li>⇒ Select your <b>Daily Benefit Amount</b>. (You may choose from <b>of \$100, \$150, and \$200</b>, or select any amount from \$100 to \$350 in \$1 increments.)</li> <li>⇒ Select your <b>Lifetime Maximum Benefit (3, 5 or 7 years)</b>.</li> <li>⇒ Determine if you wish to include the 'Return of Contributions' feature.</li> </ul> </li> <li>2. <b>Forms to Complete:</b> <ul style="list-style-type: none"> <li>➤ If you are an <b>employee</b> enrolling during the special enrollment period or if you are a new employee enrolling within your first 31 days of eligibility, please complete the one page "<u>Employee Enrollment Form</u>."</li> <li>➤ If you are a <b>spouse of an employee</b> or if you are an <b>employee enrolling after the special enrollment or after 31 days of eligibility</b>, please complete the "<u>Employee (Late Applicant) and Spouse of an Employee Long Term Care Medical Questionnaire/Enrollment Form</u>."</li> <li>➤ <b>All others</b> must complete the "<u>Group Long Term Care Insurance Medical Questionnaire/Enrollment</u>" form.</li> <li>➤ <b>EVERYONE MUST complete</b> the "<u>Long Term Care Insurance Personal Worksheet</u>" including the <u>Disclosure Statement</u> portion of the worksheet in order for your enrollment form to be processed.</li> </ul> </li> <li>3. <b>Please return all form(s) directly to Aetna.</b></li> </ol>																

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**City of Lincoln and Lancaster County  
Long Term Care Monthly Rates  
5-Year Lifetime Maximum  
No Return of Contributions\***

<b>Age</b>	<b>\$100 Daily Benefit Amount</b>	<b>\$150 Daily Benefit Amount</b>	<b>\$200 Daily Benefit Amount</b>	<b>Age</b>	<b>\$100 Daily Benefit Amount</b>	<b>\$150 Daily Benefit Amount</b>	<b>\$200 Daily Benefit Amount</b>
20	\$3.80	\$5.70	\$7.60	56	\$46.90	\$70.35	\$93.80
21	\$3.90	\$5.85	\$7.80	57	\$51.40	\$77.10	\$102.80
22	\$4.10	\$6.15	\$8.20	58	\$56.20	\$84.30	\$112.40
23	\$4.40	\$6.60	\$8.80	59	\$61.70	\$92.55	\$123.40
24	\$4.70	\$7.05	\$9.40	60	\$67.50	\$101.25	\$135.00
25	\$4.90	\$7.35	\$9.80	61	\$74.30	\$111.45	\$148.60
26	\$5.40	\$8.10	\$10.80	62	\$81.70	\$122.55	\$163.40
27	\$6.00	\$9.00	\$12.00	63	\$90.30	\$135.45	\$180.60
28	\$6.50	\$9.75	\$13.00	64	\$99.90	\$149.85	\$199.80
29	\$7.00	\$10.50	\$14.00	65	\$108.60	\$162.90	\$217.20
30	\$7.60	\$11.40	\$15.20	66	\$120.10	\$180.15	\$240.20
31	\$8.30	\$12.45	\$16.60	67	\$133.50	\$200.25	\$267.00
32	\$8.90	\$13.35	\$17.80	68	\$144.30	\$216.45	\$288.60
33	\$9.70	\$14.55	\$19.40	69	\$156.70	\$235.05	\$313.40
34	\$10.50	\$15.75	\$21.00	70	\$170.30	\$255.45	\$340.60
35	\$11.30	\$16.95	\$22.60	71	\$185.70	\$278.55	\$371.40
36	\$12.00	\$18.00	\$24.00	72	\$202.90	\$304.35	\$405.80
37	\$12.90	\$19.35	\$25.80	73	\$222.10	\$333.15	\$444.20
38	\$13.70	\$20.55	\$27.40	74	\$243.50	\$365.25	\$487.00
39	\$14.60	\$21.90	\$29.20	75	\$267.20	\$400.80	\$534.40
40	\$15.70	\$23.55	\$31.40	76	\$293.90	\$440.85	\$587.80
41	\$16.70	\$25.05	\$33.40	77	\$323.70	\$485.55	\$647.40
42	\$17.70	\$26.55	\$35.40	78	\$356.20	\$534.30	\$712.40
43	\$18.90	\$28.35	\$37.80	79	\$391.00	\$586.50	\$782.00
44	\$19.90	\$29.85	\$39.80	80	\$426.00	\$639.00	\$852.00
45	\$21.20	\$31.80	\$42.40	81	\$457.30	\$685.95	\$914.60
46	\$22.40	\$33.60	\$44.80	82	\$487.40	\$731.10	\$974.80
47	\$23.90	\$35.85	\$47.80	83	\$520.30	\$780.45	\$1,040.60
48	\$25.60	\$38.40	\$51.20	84	\$549.80	\$824.70	\$1,099.60
49	\$27.30	\$40.95	\$54.60	85	\$575.20	\$862.80	\$1,150.40
50	\$29.10	\$43.65	\$58.20	86	\$603.40	\$905.10	\$1,206.80
51	\$31.20	\$46.80	\$62.40	87	\$627.30	\$940.95	\$1,254.60
52	\$33.20	\$49.80	\$66.40	88	\$647.00	\$970.50	\$1,294.00
53	\$36.20	\$54.30	\$72.40	89	\$663.40	\$995.10	\$1,326.80
54	\$39.50	\$59.25	\$79.00	90+	\$673.90	\$1,010.85	\$1,347.80
55	\$42.90	\$64.35	\$85.80				

\*For additional rates and more information, please visit [www.aetna.com/group/lincolnlancaster](http://www.aetna.com/group/lincolnlancaster)  
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